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March 19, 2004

Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602-0615

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PUBLIC SERVICE
COMMISSION

*Re: Louisville Gas and Electric Company Request for Finding of Impracticability
Under 49 C.F.R. §192.50, Case No. 2004-00006*

Dear Mr. Dorman:

Enclosed please find an original and ten (10) copies of Louisville Gas and Electric Company's testimony in support of its earlier-filed petition in the above-referenced proceeding.

Should you have any questions concerning the enclosed, please do not hesitate to contact me directly at 502/627-2557.

Very truly yours,

Linda S. Portasik
Counsel for Louisville Gas and Electric
Company

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**LOUISVILLE GAS AND ELECTRIC)
COMPANY REQUEST FOR FINDING)
OF IMPRACTICABILITY UNDER)
49 C.F.R. 192.150)**

CASE NO. 2004-00006

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**PUBLIC SERVICE
COMMISSION**

**PREPARED TESTIMONY OF
JOSEPH R. RYAN, III
ON BEHALF OF
LOUISVILLE GAS AND ELECTRIC COMPANY**

March 19, 2004

1 **Q. Please state your name, position and business address.**

2 A. My name is Joseph R. Ryan, III. I am employed by LG&E Energy Services, Inc. as
3 Manager of Operating Policies & Standards – Distribution, for Louisville Gas and
4 Electric Company (“LG&E”). My business address is 10300 Ballardsville Road,
5 Louisville, Kentucky 40241. A statement of my qualifications is included in the
6 Appendix attached hereto.

7 **Q. What is the purpose of your testimony?**

8 A: The purpose of my testimony is to support LG&E’s petition, submitted on December 26,
9 2003, for “approval” under 49 C.F.R. §192.150(c), and a concurrent finding under 49
10 C.F.R. §192.150(b)(8), that the line stopper equipment used to bury 352 feet of exposed
11 (or washed out) gas transmission pipeline in Ballardsville, Kentucky was “impractical to
12 design and construct to accommodate the passage of an instrumented internal inspection
13 device.” In short, LG&E is seeking a waiver of the requirement, as set forth in the
14 Department of Transportation regulations, that the line stopper fittings used to replace
15 this small section of pipeline must be designed to accommodate the passage of internal
16 pigging devices.

17 **Q: By way of background, please explain the circumstances giving rise to LG&E’s**
18 **request.**

19 A: In December 2003, LG&E replaced a total of 352 feet of a 26.5-mile gas transmission
20 pipeline where wet creek beds had shifted and eroded the soil thus completely exposing
21 the pipeline in two separate locations. This relocation, which involved burying the
22 pipeline several feet below the creek bed, was required by 49 C.F.R. §192.327, which
23 sets forth the minimum requirements for “cover” on a gas transmission line.

1 LG&E used bottom-out line stopper fittings that impede the passage of internal
2 inspection devices to relocate these pipeline segments. These fittings are not designed to
3 accommodate the passage of internal inspection devices such as intelligent pigging
4 equipment.

5 **Q: Why did LG&E use bottom-out line stopper fittings in relocating the exposed**
6 **pipeline segment, as opposed to alternative relocation methods that may have**
7 **accommodated the passage of internal inspection devices?**

8 A: There were two fundamental reasons why LG&E elected to use bottom-out line stopper
9 fittings: (i) to eliminate the safety hazards attendant to the exposed pipeline as
10 expeditiously as possible; and (ii) to provide full gas supply and pressure to prevent
11 service disruptions to customers served directly and solely off of the affected pipeline.

12 **Q: Please explain.**

13 A: An exposed natural gas pipeline is generally more vulnerable to damage than a buried
14 pipeline. For example, rock and creek debris may dent and gouge the exposed pipeline or
15 impose stresses that could jeopardize the integrity of the pipeline, damage the pipeline
16 coating or otherwise cause localized corrosion. Likewise, an exposed pipeline may peek
17 the interest of curious passersby unaware of the potential for harm should the pipe be
18 misused. Accordingly, to ensure the safety of nearby inhabitants and wildlife prior to
19 entering the winter peak heating season, LG&E elected to use bottom-out tap fittings
20 which have proven to perform reliably when line stopping with a full bypass is required
21 to maintain the gas supply to distribution customers.

22 Also, the affected pipeline in this case was and remains the single source of
23 supply for 131 natural gas customers served directly off of this line, and likewise supplies

1 22 gas distribution facilities serving approximately 2,187 customers primarily located in
2 the city of LaGrange, Kentucky. Use of alternative relocation methods that would have
3 allowed for passage of internal inspection devices would have required LG&E to take the
4 pipeline out of service -- thereby shutting off service to these customers -- pending
5 completion of the repair. In turn, taking the pipeline out of service, which was the sole
6 source of supply for customers, would have negatively impacted the customers served by
7 this pipeline and created a lengthy relighting process, further extending the period of
8 service disruption.

9 **Q: Are you aware of any case in which the U.S. Department of Transportation has**
10 **granted a waiver of 49 C.F.R. §192.50(b)(8) where, as here, the affected pipeline was**
11 **the only source of supply for certain customers?**

12 A: Yes. To my knowledge, the U.S. Department of Transportation has granted at least one
13 petition for waiver based on facts very similar to those present here. That waiver was
14 granted to the City of Fulton, Missouri, by letter dated December 29, 1999. *See*
15 *Attachment.*

16 **Q: Are there any other reasons that you believe support LG&E's petition in this case?**

17 A: Yes. It should be noted that the affected gas pipeline was constructed in 1965, prior to
18 implementation of 49 C.F.R. §192.50, the regulations of which LG&E now seeks waiver.
19 As a consequence, this pipeline was not designed and constructed to accommodate the
20 passage of internal inspection devices as currently required by such regulations. The
21 pipeline was originally installed to serve the Ballardsville gas storage field. The storage
22 field was abandoned in the mid 1980's. Subsequently, the pipeline was used to supply

1 gas to numerous gas regulation facilities and customers along the pipeline route as the
2 surrounding area was developed.

3 **Q: Does this conclude your testimony?**

4 **A: Yes.**

Appendix A

Biography

Company: Louisville Gas & Electric Company

Name: Joseph R. Ryan

Title: Manager, Operating Policies and Standards

Department: Asset Management - Gas

Work Location: East Operations Center
10300 Ballardsville Road
40241

Brief Biography/Work History:

Joseph has been working in the gas utility industry for 13 years. He has been working at LG&E for four years. Joseph holds a Bachelor of Science degree in Mechanical Engineering and a Masters in Business Administration specializing in corporate finance and investments. He has previously worked for Keyspan Energy Corp. in Hicksville, New York and Gibbs and Cox Naval Architect and Marine Engineers located in New York City, New York. Joseph has managed several different groups over his career including: gas engineering, gas construction, and gas measurement and regulation.

